

110TH CONGRESS
1ST SESSION

S. 1102

To amend title XVIII of the Social Security Act to expedite the application and eligibility process for low-income subsidies under the Medicare prescription drug program and to revise the resource standards used to determine eligibility for an income-related subsidy, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 12, 2007

Mr. BINGAMAN (for himself, Mr. SMITH, Mr. KOHL, Ms. SNOWE, Mrs. LINCOLN, and Mr. KERRY) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act to expedite the application and eligibility process for low-income subsidies under the Medicare prescription drug program and to revise the resource standards used to determine eligibility for an income-related subsidy, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Part D Equity for
5 Low-Income Seniors Act of 2007”.

1 **SEC. 2. EXPEDITING LOW-INCOME SUBSIDIES UNDER THE**
 2 **MEDICARE PRESCRIPTION DRUG PROGRAM.**

3 (a) IN GENERAL.—Section 1860D–14 of the Social
 4 Security Act (42 U.S.C. 1395w–114) is amended by add-
 5 ing at the end the following new subsection:

6 “(e) EXPEDITED APPLICATION AND ELIGIBILITY
 7 PROCESS.—

8 “(1) EXPEDITED PROCESS.—

9 “(A) IN GENERAL.—The Commissioner of
 10 Social Security shall provide for an expedited
 11 process under this subsection for the qualifica-
 12 tion for low-income assistance under this sec-
 13 tion through a request to the Secretary of the
 14 Treasury as provided in subparagraph (B) for
 15 information described in section 6103(l)(21) of
 16 the Internal Revenue Code of 1986. Such proc-
 17 ess shall be conducted in cooperation with the
 18 Secretary.

19 “(B) CURRENTLY ELIGIBLE INDIVID-
 20 UALS.—The Commissioner of Social Security
 21 shall, as soon as practicable after implementa-
 22 tion of subparagraph (A), screen such indi-
 23 vidual for eligibility for the low-income subsidy
 24 provided under this section through such a re-
 25 quest to the Secretary of the Treasury.

1 “(2) NOTIFICATION OF POTENTIALLY ELIGIBLE
 2 INDIVIDUALS.—Under such process, in the case of
 3 each individual identified under paragraph (1) who
 4 has not otherwise applied for, or been determined el-
 5 igible for, benefits under this section (or who has ap-
 6 plied for and been determined ineligible for such
 7 benefits based only on excess resources), the Com-
 8 missioner of Social Security shall send a notification
 9 that the individual is likely eligible for low-income
 10 subsidies under this section. Such notification shall
 11 include the following:

12 “(A) APPLICATION INFORMATION.—Infor-
 13 mation on how to apply for such low-income
 14 subsidies.

15 “(B) DESCRIPTION OF THE LIS BEN-
 16 EFIT.—A description of the low-income sub-
 17 sidies available under this section.

18 “(C) INFORMATION ON STATE HEALTH IN-
 19 SURANCE PROGRAMS.—Information on—

20 “(i) the State Health Insurance As-
 21 sistance Program for the State in which
 22 the individual is located; and

23 “(ii) how the individual may contact
 24 such Program in order to obtain assistance

1 regarding enrollment and benefits under
2 this part.

3 “(D) ATTESTATION.—An application form
4 that provides for a signed attestation, under
5 penalty of law, as to the amount of income and
6 assets of the individual and constitutes an ap-
7 plication for the low-income subsidies under this
8 section. Such form—

9 “(i) shall not require the submittal of
10 additional documentation regarding income
11 or assets;

12 “(ii) shall permit the appointment of
13 a personal representative described in
14 paragraph (4); and

15 “(iii) shall allow for the specification
16 of a language (other than English) that is
17 preferred by the individual for subsequent
18 communications with respect to the indi-
19 vidual under this part.

20 If a State is doing its own outreach to low-income
21 seniors regarding enrollment and low-income sub-
22 sidies under this part, such process shall be coordi-
23 nated with the State’s outreach effort.

24 “(3) HOLD-HARMLESS.—Under such process, if
25 an individual in good faith and in the absence of

1 fraud executes an attestation described in paragraph
2 (2)(D) and is provided low-income subsidies under
3 this section on the basis of such attestation, if the
4 individual is subsequently found not eligible for such
5 subsidies, there shall be no recovery made against
6 the individual because of such subsidies improperly
7 paid.

8 “(4) USE OF AUTHORIZED REPRESENTATIVE.—
9 Under such process, with proper authorization
10 (which may be part of the attestation form described
11 in paragraph (2)(D)), an individual may authorize
12 another individual to act as the individual’s personal
13 representative with respect to communications under
14 this part and the enrollment of the individual under
15 a prescription drug plan (or MA–PD plan) and for
16 low-income subsidies under this section.

17 “(5) USE OF PREFERRED LANGUAGE IN SUBSE-
18 QUENT COMMUNICATIONS.—In the case an attesta-
19 tion described in paragraph (2)(D) is completed and
20 in which a language other than English is specified
21 under clause (iii) of such paragraph, the Commis-
22 sioner of Social Security shall provide that subse-
23 quent communications to the individual under this
24 part shall be in such language.

1 “(6) CONSTRUCTION.—Nothing in this sub-
 2 section shall be construed as precluding the Commis-
 3 sioner of Social Security or the Secretary from tak-
 4 ing additional outreach efforts to enroll eligible indi-
 5 viduals under this part and to provide low-income
 6 subsidies to eligible individuals.”.

7 (b) DISCLOSURE OF RETURN INFORMATION FOR
 8 PURPOSES OF DETERMINING INDIVIDUALS ELIGIBLE FOR
 9 SUBSIDIES UNDER MEDICARE PART D.—

10 (1) IN GENERAL.—Subsection (l) of section
 11 6103 of the Internal Revenue Code of 1986 is
 12 amended by adding at the end the following new
 13 paragraph:

14 “(21) DISCLOSURE OF RETURN INFORMATION
 15 TO CARRY OUT MEDICARE PART D SUBSIDIES.—

16 “(A) IN GENERAL.—The Secretary shall,
 17 upon written request from the Commissioner of
 18 Social Security under section 1860D–14(e)(1)
 19 of the Social Security Act, disclose to officers
 20 and employees of the Social Security Adminis-
 21 tration return information of a taxpayer who
 22 (according to the records of the Secretary) may
 23 be eligible for a subsidy under section 1860D–
 24 14 of the Social Security Act. Such return in-
 25 formation shall be limited to—

1 “(i) taxpayer identity information
2 with respect to such taxpayer,

3 “(ii) the filing status of such tax-
4 payer,

5 “(iii) the gross income of such tax-
6 payer,

7 “(iv) such other information relating
8 to the liability of the taxpayer as is pre-
9 scribed by the Secretary by regulation as
10 might indicate the eligibility of such tax-
11 payer for a subsidy under section 1860D-
12 14 of the Social Security Act, and

13 “(v) the taxable year with respect to
14 which the preceding information relates.

15 “(B) RESTRICTION ON USE OF DISCLOSED
16 INFORMATION.—Return information disclosed
17 under this paragraph may be used by officers
18 and employees of the Social Security Adminis-
19 tration only for the purposes of identifying eli-
20 gible individuals for, and, if applicable, admin-
21 istering—

22 “(i) low-income subsidies under sec-
23 tion 1860D-14 of the Social Security Act,
24 and

1 “(ii) the Medicare Savings Program
 2 implemented under clauses (i), (iii), and
 3 (iv) of section 1902(a)(10)(E) of such Act.

4 “(C) TERMINATION.—Return information
 5 may not be disclosed under this paragraph after
 6 the date that is one year after the date of the
 7 enactment of this paragraph.”.

8 (2) CONFORMING AMENDMENTS.—Paragraph
 9 (4) of section 6103(p) of the Internal Revenue Code
 10 of 1986 is amended—

11 (A) by striking “(14) or (17)” in the mat-
 12 ter preceding subparagraph (A) and inserting
 13 “(14), (17), or (21)”; and

14 (B) by striking “(15) or (17)” in subpara-
 15 graph (F)(ii) and inserting “(15), (17), or
 16 (21)”.

17 **SEC. 3. MODIFICATION OF RESOURCE STANDARDS FOR DE-**
 18 **TERMINATION OF ELIGIBILITY FOR LOW-IN-**
 19 **COME SUBSIDY.**

20 (a) INCREASING THE ALTERNATIVE RESOURCE
 21 STANDARD.—Section 1860D–14(a)(3)(E)(i) of the Social
 22 Security Act (42 U.S.C. 1395w–114(a)(3)(E)(i)) is
 23 amended—

24 (1) in subclause (I), by striking “and” at the
 25 end;

1 (2) in subclause (II)—

2 (A) by striking “a subsequent year” and
3 inserting “2007”;

4 (B) by striking “in this subclause (or sub-
5 clause (I)) for the previous year” and inserting
6 “in subclause (I) for 2006”;

7 (C) by striking the period at the end and
8 inserting a semicolon; and

9 (D) by inserting before the flush sentence
10 at the end the following new subclauses:

11 “(III) for 2008, \$27,500 (or
12 \$55,000 in the case of the combined
13 value of the individual’s assets or re-
14 sources and the assets or resources of
15 the individual’s spouse); and

16 “(IV) for a subsequent year the
17 dollar amounts specified in this sub-
18 clause (or subclause (III)) for the pre-
19 vious year increased by the annual
20 percentage increase in the consumer
21 price index (all items; U.S. city aver-
22 age) as of September of such previous
23 year.”; and

24 (3) in the flush sentence at the end, by insert-
25 ing “or (IV)” after “subclause (II)”.

1 (b) EXEMPTIONS FROM RESOURCES.—Section
 2 1860D–14(a)(3) of the Social Security Act (42 U.S.C.
 3 1395w–114(a)(3)) is amended—

4 (1) in subparagraph (D), in the matter pre-
 5 ceding clause (i), by inserting “subject to the addi-
 6 tional exclusions provided under subparagraph (G)”
 7 before “);

8 (2) in subparagraph (E)(i), in the matter pre-
 9 ceding subclause (I), by inserting “subject to the ad-
 10 ditional exclusions provided under subparagraph
 11 (G)” before “); and

12 (3) by adding at the end the following new sub-
 13 paragraph:

14 “(G) ADDITIONAL EXCLUSIONS.—In deter-
 15 mining the resources of an individual (and their
 16 eligible spouse, if any) under section 1613 for
 17 purposes of subparagraphs (D) and (E) the fol-
 18 lowing additional exclusions shall apply:

19 “(i) LIFE INSURANCE POLICY.—No
 20 part of the value of any life insurance pol-
 21 icy shall be taken into account.

22 “(ii) IN-KIND CONTRIBUTIONS.—No
 23 in-kind contribution shall be taken into ac-
 24 count.

1 “(iii) PENSION OR RETIREMENT
2 PLAN.—No balance in any pension or re-
3 tirement plan shall be taken into ac-
4 count.”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall take effect on the date of enactment of
7 this Act.

8 **SEC. 4. INDEXING DEDUCTIBLE AND COST-SHARING ABOVE**
9 **ANNUAL OUT-OF-POCKET THRESHOLD FOR**
10 **INDIVIDUALS WITH INCOME BELOW 150 PER-**
11 **CENT OF POVERTY LINE.**

12 (a) INDEXING DEDUCTIBLE.—Section 1860D–
13 14(a)(4)(B) of the Social Security Act (42 U.S.C. 1395w–
14 114(a)(4)(B)) is amended—

15 (1) in clause (i), by striking “or”;

16 (2) in clause (ii)—

17 (A) by striking “a subsequent year” and
18 inserting “2008”;

19 (B) by striking “this clause (or clause (i))
20 for the previous year” and inserting “clause (i)
21 for 2007”; and

22 (C) by striking “involved.” and inserting
23 “involved; and”;

24 (3) by adding after clause (ii) the following new
25 clause:

1 “(iii) for 2008 and each succeeding
 2 year, the amount determined under this
 3 subparagraph for the previous year in-
 4 creased by the annual percentage increase
 5 in the consumer price index (all items;
 6 U.S. city average) as of September of such
 7 previous year.”; and

8 (4) in the flush sentence at the end, by striking
 9 “clause (i) or (ii)” and inserting “clause (i), (ii), or
 10 (iii)”.

11 (b) INDEXING COST-SHARING.—Section 1860D–
 12 14(a) of the Social Security Act (42 U.S.C. 1395w–
 13 114(a)) is amended—

14 (1) in paragraph (1)(D)(iii), by striking “exceed
 15 the copayment amount” and all that follows through
 16 the period at the end and inserting “exceed—

17 “(I) for 2006 and 2007, the co-
 18 payment amount specified under sec-
 19 tion 1860D–2(b)(4)(A)(i)(I) for the
 20 drug and year involved; and

21 “(II) for 2008 and each suc-
 22 ceeding year, the amount determined
 23 under this subparagraph for the pre-
 24 vious year increased by the annual
 25 percentage increase in the consumer

1 price index (all items; U.S. city aver-
 2 age) as of September of such previous
 3 year.”; and

4 (2) in paragraph (2)(E), by striking “exceed
 5 the copayment or coinsurance amount” and all that
 6 follows through the period at the end and inserting
 7 “exceed—

8 “(i) for 2006 and 2007, the copay-
 9 ment or coinsurance amount specified
 10 under section 1860D–2(b)(4)(A)(i)(I) for
 11 the drug and year involved; and

12 “(ii) for 2008 and each succeeding
 13 year, the amount determined under this
 14 clause for the previous year increased by
 15 the annual percentage increase in the con-
 16 sumer price index (all items; U.S. city av-
 17 erage) as of September of such previous
 18 year.”.

19 **SEC. 5. NO IMPACT ON ELIGIBILITY FOR BENEFITS UNDER**
 20 **OTHER PROGRAMS.**

21 (a) IN GENERAL.—Section 1860D–14(a)(3) of the
 22 Social Security Act (42 U.S.C. 1395w–114(a)(3)), as
 23 amended by section 3(c)(3), is amended—

1 (1) in subparagraph (A), in the matter pre-
2 ceding clause (i), by striking “subparagraph (F)”
3 and inserting “subparagraphs (F) and (H)”; and

4 (2) by adding at the end the following new sub-
5 paragraph:

6 “(H) NO IMPACT ON ELIGIBILITY FOR
7 BENEFITS UNDER OTHER PROGRAMS.—The
8 availability of premium and cost-sharing sub-
9 sidies under this section shall not be treated as
10 benefits or otherwise taken into account in de-
11 termining an individual’s eligibility for, or the
12 amount of benefits under, any other Federal
13 program.”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall take effect on the date of enactment of
16 this Act.

○